

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: April 16, 2008
POSITION: Oppose
SPONSOR: Bay Area Partnership for Children & Youth, LA's
BEST, League of CA Afterschool Providers

BILL NUMBER: SB 1674
AUTHOR: T. Torlakson

BILL SUMMARY: Before and After School Programs

This bill would make the following major changes related to the After School Education and Safety Program (ASES): (1) expand the operation of ASES programs to include weekends within a program's maximum or supplemental grant; (2) set minimum after-school grant amounts of \$50,000 for schools with a total enrollment of 30 to 74 pupils and \$30,000 for schools with a total enrollment of less than 30 pupils, as specified; (3) set a minimum grant amount for before-school programs at \$16,500 for schools with a total enrollment of less than 30 pupils, as specified; (4) require subcontracts to include funds for reasonable indirect and administrative costs; and (5) create the California After School Teacher Pipeline Program to recruit instructors from state and federally funded after-school programs to participate in the California School Paraprofessional Teacher Training Program (PTTP) administered by the Commission on Teacher Credentialing (CTC). Beginning in 2009-10, the bill would transfer \$150,000 of ASES technical assistance funds to the CTC to provide grants of up to \$3,500 per participant in the pilot program. The bill would authorize the CTC to award these funds only to the extent that they cover all of the costs associated with the pilot.

FISCAL SUMMARY

The 2007 Budget Act provides a total of \$550 million for the ASES program, which is continuously appropriated. While this bill would require that costs associated with weekend activities be paid from a program's maximum grant, the Department of Finance (Finance) believes that the bill could result in unknown Proposition 98 General Fund cost pressures potentially in the millions of dollars. In addition, establishing a minimum grant for small programs would likely create a cost pressure in the hundreds of thousands of dollars annually. Finance notes that, while there are funds that are currently going unspent in the program, the Governor's Budget proposes to reduce ASES funding by \$59.6 million as part of the across-the-board reduction.

Allowing school districts and county offices of education that currently participate in the PTTP to serve after-school instructors on a pilot basis is not likely to result in significant costs, given that the PTTP has been underutilized in the past. According to the CTC, costs to administer the pilot would be absorbable.

COMMENTS

Finance is opposed to this bill for the following reasons:

- This bill could result in additional Proposition 98 General Fund cost pressures in the millions of dollars at a time when a structural budget deficit exists, by allowing ASES grantees to operate over the weekend and by establishing minimum grants for small programs.
- The need for a separate pilot program to encourage after-school instructors to become credentialed appears unnecessary, given that they can currently participate in the PTTP. Further, given that the

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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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program has been underutilized, there appears to be excess capacity to serve these individuals in the existing program.

- Since after-school programs cannot claim attendance for students over the weekend, it is unclear how the use of funding for weekend activities would be reported or monitored.
- While the intent of this bill is to prevent ASES grantees from retaining the full 15 percent allowance for indirect and administrative costs when subcontracting with agencies to provide some or all of the program services, the language is unclear. This bill does not clarify if the subcontractor's indirect and administrative costs are to be combined with the grantee's indirect and administrative allowance. Lack of clarification could create cost pressures to increase funds for administration or reduce the amount of funds available for direct services, if the grantee retains 15 percent of the grant for indirect and administration costs, and the subcontractor is also allowed to claim additional funds for indirect and administrative costs.

The PTPP provides academic support services to individuals recruited from paraprofessional job classifications who are seeking a preliminary California teaching credential. These programs are sponsored by local education agencies funded through a competitive grant process at a rate of up to \$3,500 per participant. This bill would require the CTC to report on the number of prospective participants who annually apply for the PTPP and are rejected due to constraints on program capacity.

The bill would require the CTC to select up to four school districts or county offices of education currently participating in the PTPP to participate in the pilot. Applicants would be required to meet all of the same requirements for participant eligibility and commitments, program design, and program reporting. The CTC would be required to submit a report to the Legislature by January 1, 2014 on the ability of participating school districts to successfully integrate the pilot into their existing program and the number of participants who receive teaching credentials.

		SO	(Fiscal Impact by Fiscal Year)						
Code/Department	LA	(Dollars in Thousands)							
Agency or Revenue	CO	PROP							Fund
Type	RV	98	FC	2007-2008	FC	2008-2009	FC	2009-2010	Code
6110/Dept of Educ	LA	Yes		-----	See Fiscal Summary	-----			0001
6360/Teacher Cred	SO	No		-----	No/Minor Fiscal Impact	-----			0407
6360/Teacher Cred	LA	Yes		-----	See Fiscal Summary	-----			0001
<u>Fund Code</u>	<u>Title</u>								
0001	General Fund								
0407	Teacher Credentials Fund								